

# H. R. 3981

[Report No. 94-878]

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 27, 1975

Mr. MURPHY of New York introduced the following bill; which was referred to the Committee on Merchant Marine and Fisheries

MARCH 4, 1976

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

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## A BILL

To amend the Coastal Zone Management Act of 1972 to authorize and assist the coastal States to study, plan for, manage, and control the impact of energy resource development and production which affects the coastal zone, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       ~~That this Act may be cited as the "Coastal Zone Environ-~~  
4       ~~ment Act of 1975".~~

5       ~~SEC. 2. Section 302 of the Coastal Zone Management~~  
6       ~~Act of 1972 (16 U.S.C. 1451) is amended by (1) deleting~~  
7       ~~"and" immediately after the semicolon in subsection (g)~~  
8       ~~thereof; (2) deleting the period at the end thereof and in-~~

1 ~~serting in lieu thereof “; and ”; and (3) inserting at the end~~  
2 ~~thereof the following new subsection:~~

3 ~~“ (i) The national interest in adequate energy supplies~~  
4 ~~requires that adequate assistance be provided to the coastal~~  
5 ~~States to enable them to (1) study, plan for, manage, and~~  
6 ~~ameliorate any adverse consequences of energy facilities~~  
7 ~~siting and of energy resource development or production~~  
8 ~~which affects, directly or indirectly, the coastal zone and to~~  
9 ~~provide for needed public facilities and services associated~~  
10 ~~with such activity; (2) coordinate coastal zone planning,~~  
11 ~~policies, and programs in interstate and regional areas; and~~  
12 ~~(3) develop short term research, study, and training capa-~~  
13 ~~bilities for the management of the coastal resources of the~~  
14 ~~States.”~~

15 ~~Sec. 3. (a) Section 307 (c) (3) of the Coastal Zone~~  
16 ~~Management Act of 1972 (16 U.S.C. 1455 (c) (3)) is~~  
17 ~~amended by (1) deleting “license or permit” in the first sen-~~  
18 ~~tence thereof and inserting in lieu thereof “license, lease, or~~  
19 ~~permit”; (2) deleting “licensing or permitting” in the first~~  
20 ~~sentence thereof and inserting in lieu thereof “licensing, leas-~~  
21 ~~ing, or permitting”; and (3) deleting “license or permit” in~~  
22 ~~the last sentence thereof and inserting in lieu thereof “license,~~  
23 ~~lease, or permit”.~~

24 ~~(b) Section 307 (c) of such Act is amended by adding~~  
25 ~~at the end thereof the following new paragraph:~~

1       ~~"(4) Any applicant for a required license, lease, or~~  
 2 ~~permit for development or production of energy resources or~~  
 3 ~~for the siting of energy facilities to be located in or which~~  
 4 ~~would directly or indirectly affect the coastal zone shall certify~~  
 5 ~~that the proposed activity complies with, and will be con-~~  
 6 ~~ducted in a manner consistent with any approved State~~  
 7 ~~management program and in accordance with the procedures~~  
 8 ~~for assuring the consistency of Federal activities with ap-~~  
 9 ~~proved State management programs pursuant to paragraph~~  
 10 ~~(3) of this section."~~

11       ~~SEC. 4. The Coastal Zone Management Act of 1972-~~  
 12 ~~(16 U.S.C. 1451 et seq.) is amended by (1) redesignating~~  
 13 ~~sections 308 through 315 thereof as sections 311 through~~  
 14 ~~318 thereof, respectively; and (2) inserting therein the~~  
 15 ~~following three new sections:-~~

16                               ~~"COASTAL IMPACT FUND~~

17       ~~"SEC. 308. (a) There is established in the Treasury of~~  
 18 ~~the United States the Coastal Impact Fund (hereinafter~~  
 19 ~~referred to as the 'Fund'). The Fund shall be administered~~  
 20 ~~by the Secretary. The Secretary is authorized to make 100~~  
 21 ~~per centum annual grants from the Fund to those coastal~~  
 22 ~~States which the Secretary determines are likely to be sig-~~  
 23 ~~nificantly and adversely impacted by the development or~~  
 24 ~~production of energy resources or by the siting of energy~~  
 25 ~~facilities to be located in or which would affect, directly or~~

~~1 indirectly, the coastal zone and which have complied with~~  
~~2 the eligibility requirements established in subsection (b) of~~  
~~3 this section. Such grants may be made for the purpose of~~  
~~4 (1) studying, planning for, managing, controlling, and~~  
~~5 ameliorating economic, environmental, and social conse-~~  
~~6 quences likely to result from such development, production,~~  
~~7 or siting; and (2) constructing public facilities and providing~~  
~~8 public services made necessary by such development, produc-~~  
~~9 tion, or siting and activities related thereto.~~

~~10 “(b) The Secretary shall, by regulations, in accordance~~  
~~11 with section 553 of title 5, United States Code, establish~~  
~~12 requirements for grant eligibility. Such regulations shall pro-~~  
~~13 vide that a State is eligible for such grant upon a finding~~  
~~14 by the Secretary that such State—~~

~~15 “(1) is receiving a program development grant~~  
~~16 under section 305 of this Act and is making satisfactory~~  
~~17 progress, as determined by the Secretary, toward the~~  
~~18 development of a coastal zone management program~~  
~~19 under section 306 of this Act, or is receiving an admin-~~  
~~20 istrative grant under section 306 of this Act; and—~~

~~21 “(2) has demonstrated, to the satisfaction of the~~  
~~22 Secretary that such grants will be used for purposes~~  
~~23 directly related to those specified in subsection (a) of~~  
~~24 this section.~~

~~25 “(c) The Secretary shall coordinate grants made pur-~~

1 ~~suant to this section with the coastal zone management pro-~~  
2 ~~gram developed or being developed by the coastal State re-~~  
3 ~~questing such grant, pursuant to section 305 or 306 of this~~  
4 ~~Act.~~

5 ~~“(d) Such grants shall be allocated to the coastal States~~  
6 ~~in proportion to the anticipated or actual impacts upon such~~  
7 ~~States resulting from development or production of energy~~  
8 ~~resources or the siting of energy facilities to be located in or~~  
9 ~~which would affect, directly or indirectly, the coastal zone.~~

10 ~~“(e) A coastal State may, for the purpose of carrying~~  
11 ~~out the provisions of this section and with the approval of the~~  
12 ~~Secretary, allocate a portion of any grant received under this~~  
13 ~~section to (1) any political subdivision of such State; (2)~~  
14 ~~an areawide agency designated under section 204 of the~~  
15 ~~Demonstration Cities and Metropolitan Development Act~~  
16 ~~of 1966; (3) a regional agency; or (4) an interstate agency.~~

17 ~~“INTERSTATE COORDINATION GRANTS TO STATES~~

18 ~~“Sec. 309. (a) The States are encouraged to give high~~  
19 ~~priority to coordinating State coastal zone planning, policies,~~  
20 ~~and programs in contiguous interstate areas and to study,~~  
21 ~~plan, or implement unified coastal zone policies in such areas.~~  
22 ~~The States may conduct such coordination, study, planning,~~  
23 ~~or implementation through interstate agreement or com-~~  
24 ~~pacts. The authorization of Congress is hereby given to two~~  
25 ~~or more States to negotiate and enter into interstate agree-~~

~~1   ments or compacts, not in conflict with any law or treaty~~  
~~2   of the United States, upon such terms and conditions, includ-~~  
~~3   ing the establishment of such public agencies, entities, or au-~~  
~~4   thorities as are reasonable or appropriate, for the purpose of~~  
~~5   said coordination, study, planning, or implementation: *Pro-*~~  
~~6   *vided,* That such agreements or compacts shall provide an~~  
~~7   opportunity for participation, for coordination purposes,~~  
~~8   by Federal and local governments and agencies as well as~~  
~~9   property owners, users of the land, and the public. Such~~  
~~10  agreement or compact shall be binding or obligatory upon~~  
~~11  any State or party thereto without further approval by~~  
~~12  Congress.~~

~~13       “(b) The Secretary is authorized to make annual grants~~  
~~14  to the coastal States, not to exceed 90 per centum of the~~  
~~15  cost of such coordination, study, planning, or implementa-~~  
~~16  tion, if the Secretary finds that each coastal State receiving~~  
~~17  a grant under this section will use such grants for purposes~~  
~~18  consistent with the provisions of sections 305 and 306 of this~~  
~~19  Act.~~

~~20               “COASTAL RESEARCH ASSISTANCE~~

~~21       “SEC. 310. The Secretary is authorized to provide as-~~  
~~22  sistance to enable the coastal States to develop a capability~~  
~~23  for carrying out short-term research, studies, and training~~  
~~24  required in support of coastal zone management. Such assist-~~  
~~25  ance may be provided through (1) the payment of funds to~~

1 ~~appropriate departments and agencies of the Federal Gov-~~  
 2 ~~ernment as he shall determine; (2) the employment of pri-~~  
 3 ~~vate individuals, partnerships, firms, corporations, or other~~  
 4 ~~suitable institutions, under contracts entered into for such~~  
 5 ~~purposes; or (3) annual grants to the coastal States not to~~  
 6 ~~exceed 66 $\frac{2}{3}$  per centum of the costs of such assistance. As-~~  
 7 ~~sistance under this section is for the purpose of conducting or~~  
 8 ~~encouraging research and studies into the problems of coastal~~  
 9 ~~zone management and to provide for the training of persons~~  
 10 ~~to carry on further research or to obtain employment in~~  
 11 ~~private or public organizations which are concerned with~~  
 12 ~~coastal zone management."~~

13 ~~SEC. 5. Section 316 of the Coastal Zone Management~~  
 14 ~~Act of 1972 (16 U.S.C. 1462), as redesignated by this Act,~~  
 15 ~~is amended by (1) deleting "and" at the end of paragraph~~  
 16 ~~(8) thereof immediately after the semicolon; (2) renumber-~~  
 17 ~~ing paragraph "(9)" thereof as paragraph "(11)" thereof;~~  
 18 ~~and (3) inserting the following two new paragraphs:~~

19 ~~"(9) a general description of the economic, environ-~~  
 20 ~~mental, and social impacts of the development or pro-~~  
 21 ~~duction of energy resources or the siting of energy facili-~~  
 22 ~~ties affecting the coastal zone;~~

23 ~~"(10) a description and evaluation of interstate and~~  
 24 ~~regional planning mechanisms developed by the coastal~~  
 25 ~~States; and"~~

1     ~~SEC. 6. (a) Section 305 (h) of the Coastal Zone Man-~~  
 2     ~~agement Act of 1972 (16 U.S.C. 1454 (h)) is amended by~~  
 3     ~~deleting "1977" and by inserting in lieu thereof "1980".~~

4     ~~(b) Section 318 (a) of such Act (16 U.S.C. 1464 (a)),~~  
 5     ~~as redesignated by this Act, is amended by (1) deleting~~  
 6     ~~"three" in paragraph (1) thereof and inserting in lieu there-~~  
 7     ~~of "four"; (2) deleting "1977" in paragraph (2) thereof~~  
 8     ~~and inserting in lieu thereof "1980"; (3) deleting "and"~~  
 9     ~~after the semicolon in paragraph (2) thereof; (4) redesign-~~  
 10    ~~ating paragraph "(3)" thereof as paragraph (6) thereof;~~  
 11    ~~(5) deleting "312" therein and inserting in lieu thereof~~  
 12    ~~"315"; and (6) inserting therein the following three new~~  
 13    ~~paragraphs:~~

14           ~~"(3) a sum not to exceed \$200,000,000 for the~~  
 15    ~~fiscal year ending June 30, 1976, and for each of the~~  
 16    ~~four succeeding fiscal years, to the Coastal Impact~~  
 17    ~~Fund for grants pursuant to the provisions of section~~  
 18    ~~308, to remain available until expended;~~

19           ~~"(4) such sums, not to exceed \$5,000,000 for the~~  
 20    ~~fiscal year ending September 30, 1976, and for each of~~  
 21    ~~the three succeeding fiscal years, as may be necessary~~  
 22    ~~for grants under section 309, to remain available until~~  
 23    ~~expended;~~

24           ~~"(5) such sums, not to exceed \$5,000,000 for the~~  
 25    ~~fiscal year ending September 30, 1976, and for each of~~



1 ~~the three succeeding fiscal years, as may be necessary,~~  
 2 ~~for assistance under section 310, to remain available until~~  
 3 ~~expended; and”.~~

4 ~~(e) Section 318 (b) of such Act is amended by deleting~~  
 5 ~~“four” and inserting in lieu thereof “seven”.~~

6 ~~SEC. 7. (a) Section 302 (e) of the Coastal Zone Man-~~  
 7 ~~agement Act of 1972 (16 U.S.C. 1451 (e)) is amended by~~  
 8 ~~inserting “ecological,” immediately after “recreational,”~~

9 ~~(b) Section 304 of such Act (16 U.S.C. 1453) is~~  
 10 ~~amended by (1) inserting in subsection (a) thereof “islands”~~  
 11 ~~immediately after “and includes”; (2) deleting in subsection~~  
 12 ~~(c) thereof “and” after “transitional areas,” and inserting~~  
 13 ~~“and islands” after “uplands,”; and (3) adding at the end~~  
 14 ~~thereof the following new subsection:~~

15 ~~“(j) ‘Beach’ means the area defined by the coastal State~~  
 16 ~~under paragraph (7) of subsection (b) of section 305.”~~

17 ~~(c) Section 305 (b) of such Act (16 U.S.C. 1454 (b))~~  
 18 ~~is amended (1) by deleting the period at the end thereof~~  
 19 ~~and inserting in lieu thereof a semicolon; and by adding at~~  
 20 ~~the end thereof the following new paragraph:~~

21 ~~“(7) a general plan for the protection of access to~~  
 22 ~~public beaches and other coastal areas of environmental,~~  
 23 ~~recreational, historical, esthetic, ecological, and cultural~~  
 24 ~~value. Such plan shall include a definition of the term~~  
 25 ~~‘beach’.”~~

1     ~~-(d) Section 306 (c) (9) of such Act (16 U.S.C. 1461),~~  
 2     ~~as redesignated by this Act, is amended by (1) inserting~~  
 3     ~~after “, Beaches and Islands” after “Estuarine Sanctuaries”~~  
 4     ~~in the title thereof; (2) deleting the period at the end of the~~  
 5     ~~first sentence thereof and inserting in lieu thereof “, and~~  
 6     ~~grants of up to 50 per centum of the costs of acquisition of~~  
 7     ~~lands to provide for protection of and access to public beaches~~  
 8     ~~and preservation of islands.”.~~

9     ~~SEC. 8. Section 318 (a) (6) of such Act (16 U.S.C.~~  
 10    ~~1464 (a) (6) ), as redesignated by this Act, is amended by~~  
 11    ~~inserting “and \$50,000,000 for each of the fiscal years 1975~~  
 12    ~~through 1980,” after “June 30, 1974,” and before “as may~~  
 13    ~~be necessary,”.~~

14                                 ~~DEFINITIONS~~

15    ~~SEC. 9. Section 304 of the Coastal Zone Management~~  
 16    ~~Act of 1972 (16 U.S.C. 1451) is amended by inserting~~  
 17    ~~after existing subsection (1) the following four new~~  
 18    ~~subsections:~~

19           ~~“(j) ‘energy resources’ means petroleum crude oil,~~  
 20    ~~petroleum products, coal, natural gas, or any other~~  
 21    ~~substance used primarily for its energy content;~~

22           ~~“(k) ‘development and production’ means the leas-~~  
 23    ~~ing of, exploration for, drilling for, removal, extraction,~~  
 24    ~~exploitation, or treatment, transportation and storage~~  
 25    ~~of, energy resources;~~

1       ~~“(1) ‘energy facilities’ means electric generating~~  
 2       ~~plants, including hydroelectric facilities licensed by the~~  
 3       ~~Federal Power Commission; petroleum refineries or~~  
 4       ~~petrochemical plants; synthetic gasification plants,~~  
 5       ~~liquefaction and gasification plants, and liquefied nat-~~  
 6       ~~ural gas conversion facilities providing fuel for interstate~~  
 7       ~~use; petroleum loading or transfer facilities; and all~~  
 8       ~~transmission, pipeline, and storage facilities associated~~  
 9       ~~with the above facilities;~~

10       ~~“(m) ‘public services and facilities’ means those~~  
 11       ~~services or facilities financed in part or in whole by local~~  
 12       ~~or State governments which may be required either~~  
 13       ~~directly or indirectly by the development or production~~  
 14       ~~of energy resources or the siting of energy facilities.~~  
 15       ~~Such services and facilities include, but are not limited~~  
 16       ~~to, highways, secondary roads, sewer and water facili-~~  
 17       ~~ties, schools, hospitals, fire and police protection and~~  
 18       ~~related facilities, and such other social and governmental~~  
 19       ~~services as necessary to support increased population~~  
 20       ~~and industrial development.”~~

21       *That this Act may be cited as the “Coastal Zone Management*  
 22       *Act Amendments of 1975”.*

23       *SEC. 2. The Coastal Zone Management Act of 1972, as*  
 24       *amended (16 U.S.C. 1451 et seq.), is amended as follows:*

25       *(1) Section 302(b) of such Act (16 U.S.C. 1451(b))*

1 is amended by inserting "ecological," immediately after  
2 "recreational,".

3 (2) Section 304(a) of such Act (16 U.S.C. 1453(a))  
4 is amended by inserting "islands," immediately after "and  
5 includes".

6 (3) Section 304(e) of such Act (16 U.S.C. 1453(e))  
7 is amended by deleting "and" after "transitional areas," and  
8 by inserting "and islands," immediately after "uplands,".

9 (4) Section 304 of such Act (16 U.S.C. 1453) is  
10 further amended by adding at the end thereof the following  
11 new subsections:

12 "(j) 'Outer Continental Shelf energy activity' means  
13 exploration for, or the development or production of, oil and  
14 gas resources from the outer Continental Shelf, or the loca-  
15 tion, construction, expansion or operation of any energy  
16 facilities made necessary by such exploration or development.

17 "(k) 'Energy facilities' means new facilities, or addi-  
18 tions to existing facilities—

19 "(1) which are or will be directly used in the  
20 extraction, conversion, storage, transfer, processing, or  
21 transporting of any energy resource; or

22 "(2) which are or will be used primarily for the  
23 manufacture, production, or assembly of equipment,  
24 machinery, products, or devices which are or will be  
25 directly involved in any activity described in paragraph

1       (1) of this subsection and which will serve, impact, or  
2       otherwise affect a substantial geographical area or sub-  
3       stantial numbers of people.

4       The term includes, but is not limited to (A) electric generat-  
5       ing plants; (B) petroleum refineries and associated facilities;  
6       (C) gasification plants; liquefied natural gas storage, trans-  
7       fer, or conversion facilities; and uranium enrichment or nu-  
8       clear fuel processing facilities; (D) outer Continental Shelf  
9       oil and gas exploration, development, and production facili-  
10      ties, including platforms, assembly plants, storage depots,  
11      tank farms, crew and supply bases, refining complexes, and  
12      any other installation or property that is necessary for such  
13      exploration, development, or production; (E) facilities for  
14      offshore loading and marine transfer of petroleum; (F) pipe-  
15      lines and transmission facilities; and (G) terminals which  
16      are associated with any of the foregoing.

17      “(1) ‘Public facilities and public services’ means any  
18      services or facilities which are financed, in whole or in part,  
19      by state or local government. Such services and facilities in-  
20      clude, but are not limited to, highways, secondary roads,  
21      parking, mass transit, water supply, waste collection and  
22      treatment, schools and education, hospitals and health care,  
23      fire and police protection, recreation and culture, other human  
24      services, and facilities related thereto, and such governmental

1 *services as are necessary to support any increase in popula-*  
2 *tion and development.*

3 “(m) ‘local government’ means any political subdivision  
4 of any coastal State if such subdivision has taxing authority  
5 or provides any public service which is financed in whole or  
6 part by taxes, and such term includes, but is not limited to,  
7 any school district, fire district, transportation authority, and  
8 any other special purpose district or authority.

9 “(n) ‘Net adverse impacts’ means the consequences of a  
10 coastal energy activity which are determined by the Secretary  
11 to be economically or ecologically costly to a state’s coastal  
12 zone when weighed against the benefits of a coastal energy  
13 activity which directly offset such costly consequences accord-  
14 ing to the criteria as determined in accordance with section  
15 308(c) of this title. Such impacts may include, but are not  
16 limited to—

17 “(1) rapid and significant population changes or  
18 economic development requiring expenditures for public  
19 facilities and public services which cannot be financed  
20 entirely through its usual and reasonable means of gen-  
21 erating state and local revenues, or through availability  
22 of Federal funds including those authorized by this title;

23 “(2) unavoidable loss of unique or unusually valu-  
24 able ecological or recreational resources when such loss  
25 cannot be replaced or restored through its usual and rea-

1       sonable means of generating state and local revenues, or  
2       through availability of Federal funds including those  
3       authorized by this title.

4       “(o) ‘Coastal energy activity’ means any of the following  
5       activities if it is carried out in, or has a significant effect on,  
6       the coastal zone of any coastal state or coastal states—

7               “(1) the exploration, development, production, or  
8       transportation of oil and gas resources from the outer  
9       Continental Shelf and the location, construction, expansion,  
10      or operation of supporting equipment and facilities  
11      limited to exploratory rigs and vessels; production platforms;  
12      subsea completion systems; marine service and  
13      supply bases for rigs, drill ships, and supply vessels;  
14      pipelines, pipelaying vessels and pipeline terminals, tanks  
15      receiving oil or gas from the outer Continental Shelf for  
16      temporary storage; vessel loading docks and terminals  
17      used for the transportation of oil or gas from the outer  
18      Continental Shelf; and other facilities or equipment required  
19      for the removal of the foregoing or made necessary  
20      by the foregoing when such other facilities or equipment  
21      are determined by the coastal state affected to have technical  
22      requirements which would make their location, construction,  
23      expansion, or operation in the coastal zone  
24      unavoidable;

1           “(2) the location, construction, expansion, or opera-  
2       tion of vessel loading docks, terminals, and storage facili-  
3       ties used for the transportation of liquefied natural gas,  
4       coal, or oil or of conversion or treatment facilities neces-  
5       sarily associated with the processing of liquefied natural  
6       gas; or

7           “(3) the location, construction, expansion, or opera-  
8       tion of deepwater ports and directly associated facilities,  
9       as defined in the Deepwater Port Act (33 U.S.C. 1501-  
10      1524; Public Law 93-627).”.

11       (5) Section 305(b) of such Act (16 U.S.C. 1454(b))  
12   is amended by deleting the period at the end thereof and  
13   inserting in lieu thereof a semicolon, and by adding at the  
14   end thereof the following new paragraphs:

15           “(7) a definition of the term ‘beach’ and a planning  
16       process for the protection of, and access to, public beaches  
17       and other public coastal areas of environmental, recrea-  
18       tional, historical, esthetic, ecological, and cultural value;

19           “(8) a planning process for energy facilities likely  
20       to be located in the coastal zone and a process for the  
21       planning and management of the anticipated impacts  
22       from any energy facility; and

23           “(9) a planning process that will assess the effects  
24       of shoreline erosion and evaluate methods of control,  
25       lessen the impact of, or otherwise restore areas adversely



1       *affected by such erosion, whether caused by natural or*  
 2       *man-induced actions.”.*

3       *(6) Section 305(c) of such Act (16 U.S.C. 1454(c))*  
 4       *is amended by deleting “66 $\frac{2}{3}$ ” and inserting in lieu thereof*  
 5       *“80”; by deleting in the first sentence thereof “three” and*  
 6       *inserting in lieu thereof “four”; and by deleting the second*  
 7       *sentence thereof.*

8       *(7) Section 305(d) of such Act (16 U.S.C. 1454(d))*  
 9       *is amended—*

10           *(A) by deleting the period at the end of the first*  
 11           *sentence thereof and inserting in lieu thereof the follow-*  
 12           *ing “: Provided, That notwithstanding any provision*  
 13           *of this section or of section 306 no state management*  
 14           *program submitted pursuant to this subsection before*  
 15           *October 1, 1978, shall be considered incomplete, nor shall*  
 16           *final approval thereof be delayed, on account of such*  
 17           *state’s failure to comply with any regulations that are*  
 18           *issued by the Secretary to implement subsection (b)(7),*  
 19           *(b)(8), or (b)(9) of this section.”; and*

20           *(B) by deleting the period at the end thereof and*  
 21           *inserting in lieu thereof the following “: Provided, That*  
 22           *the state shall remain eligible for grants under this*  
 23           *section through the fiscal year ending in 1978 for the*  
 24           *purpose of developing a public beach and public coastal*  
 25           *area access planning process, an energy facility planning*

1        *process, and a shoreline erosion planning process for its*  
2        *state management program, pursuant to regulations*  
3        *adopted by the Secretary to implement subsections (b)*  
4        *(7), (b) (8), and (b) (9) of this section.”.*

5        *(8) Section 305 of such Act (16 U.S.C. 1454 et seq.)*  
6        *is amended—*

7                *(A) by striking out the period at the end of subsec-*  
8        *tion (e) thereof and inserting in lieu thereof the follow-*  
9        *ing “: And provided further, That the Secretary may*  
10        *waive the application of the 10 per centum maximum*  
11        *requirement as to any grant under this section when the*  
12        *coastal state is implementing a management program*  
13        *pursuant to subsection (h) of this section.”.*

14                *(B) by redesignating subsection (h) thereof as sub-*  
15        *section (i), and by inserting immediately after subsec-*  
16        *tion (g) the following:*

17                *“(h) (1) The Secretary may make annual grants under*  
18        *this subsection to any coastal state for not more than 80*  
19        *per centum of the cost of implementing the state’s manage-*  
20        *ment program, if he preliminarily approves such program*  
21        *in accordance with paragraph (2) of this subsection. The*  
22        *limitation on the number of annual development grants pur-*  
23        *suant to subsection (c) of this section is not applicable to this*  
24        *subsection. States shall remain eligible for implementation*  
25        *grants pursuant to this subsection until September 30, 1979.*

1       “(2) Before granting preliminary approval of a man-  
2       agement program submitted by a coastal state pursuant to  
3       this subsection, the Secretary shall find that the coastal state  
4       has—

5               “(A) developed a management program which is in  
6       compliance with the rules and regulations promulgated  
7       pursuant to this section but is not yet wholly in compli-  
8       ance with the requirements of section 306 of this title,

9               “(B) in consultation with the Secretary, specifically  
10      identified the deficiencies in the program which would  
11      render the state ineligible for the Secretary’s approval  
12      pursuant to section 306 of this title, and deficiencies  
13      such as the lack of an adequate organizational network  
14      or the lack of sufficient state authority to administer  
15      effectively the state’s program have been set forth with  
16      particularity,

17              “(C) has established a reasonable time schedule  
18      during which it can remedy the deficiencies identified  
19      under subparagraph (B) of this subsection; and

20              “(D) has specifically identified the types of program  
21      management activities that it seeks to fund pursuant to  
22      this subsection.

23       “(3) The Secretary shall determine allowable costs  
24      under this subsection and shall publish necessary and reason-  
25      able rules and regulations in this regard.

1       “(4) Any state program funded under the provisions  
2 of this subsection shall not be considered an approved pro-  
3 gram for the purposes of section 307 of this title.”.

4       (9) Section 305(i) of such Act (as redesignated by  
5 paragraph (8)(B) of this section) is amended by deleting  
6 “June 30, 1977” and inserting in lieu thereof “Septem-  
7 ber 30, 1979”.

8       (10) Section 306(a) of such Act (16 U.S.C. 1455(a))  
9 is amended by deleting “66 $\frac{2}{3}$ ” and inserting in lieu thereof  
10 “80”; and by deleting the last sentence thereof.

11       (11) Section 306 (c)(2)(B) of such Act (16 U.S.C.  
12 1455(c)(2)(B)) is amended by adding at the end thereof  
13 the following flush sentences:

14       “No mechanism referred to in this paragraph for continuing  
15 consultation and coordination shall be found by the Secretary  
16 to be effective unless such mechanism includes, in addition  
17 to such other provisions as may be appropriate, provisions  
18 under which:

19       “(i) the management agency designated pursuant  
20 to paragraph (5) of this subsection is required, before  
21 implementing any decision made by it to carry out the  
22 management program, to send notice of such decision  
23 to any local government which has land use or water  
24 use control powers within the area to which such decision  
25 may apply;

1           “(ii) any such local government may, within thirty  
2       days after the date on which such notice is received,  
3       request the management agency to hold a public hearing  
4       regarding such decision;

5           “(iii) the management agency, upon receiving a  
6       request for a public hearing as provided for in clause  
7       (ii), is required to hold such public hearing not sooner  
8       than ninety days after the date on which notice of the  
9       decision is received by the local government; and

10          “(iv) if a public hearing on any such decision is  
11       timely requested by any local government, the manage-  
12       ment agency may not implement the decision until after  
13       the public hearing is concluded.

14       *Funds which may be allocated to any local government pur-*  
15       *suant to subsection (f) of this section may be used, in part,*  
16       *to defray expenses incurred by the local government in pre-*  
17       *paring for any public hearing referred to in the preceding*  
18       *sentence which is requested by it.”.*

19       (12) Section 306(c)(8) of such Act (16 U.S.C. 1455  
20       (c)(8)) is amended by adding at the end thereof the follow-  
21       ing new sentence: “In considering the national interest in-  
22       volved in the planning for and siting of such facilities which  
23       are energy facilities located within a state’s coastal zone, the  
24       Secretary shall further find, pursuant to regulations adopted  
25       by him, that the state has given consideration to any applica-

1 *ble interstate energy plan or program which is promulgated*  
2 *by an interstate entity established pursuant to section 309 of*  
3 *this title.”.*

4 *(13) Section 306 of such Act (16 U.S.C. 1455) is*  
5 *amended by adding at the end thereof the following new sub-*  
6 *section:*

7 *“(i) As a condition of a state’s continued eligibility for*  
8 *grants pursuant to this section, the management program of*  
9 *such state shall, after the fiscal year ending in 1978, include,*  
10 *as an integral part thereof (1) a planning process for the*  
11 *protection of, and access to, public beaches and other coastal*  
12 *areas, which is prepared pursuant to section 305(b)(7) of*  
13 *this title, and approved by the Secretary; (2) an energy*  
14 *facility planning process, which is developed pursuant to*  
15 *section 305(b)(8) of this title, and approved by the Secre-*  
16 *tary; and (3) a shoreline erosion planning process, which is*  
17 *developed pursuant to section 305(b)(9) of this title, and*  
18 *approved by the Secretary.”.*

19 *(14) Section 307(c) of such Act (16 U.S.C. 1456(c))*  
20 *is amended by adding at the end thereof the following new*  
21 *paragraph:*

22 *“(4) In case of serious disagreement between any Fed-*  
23 *eral agency and the state in the implementation of an ap-*  
24 *proved state management program, the Secretary, in coopera-*

1 *tion with the Executive Office of the President, shall seek to*  
 2 *mediate the differences.”.*

3 (15) Section 307(c)(3) of such Act (16 U.S.C. 1456  
 4 (c)(3)) is amended by (A) deleting “license or permit” in  
 5 the first sentence thereof and inserting in lieu thereof “license,  
 6 lease, or permit”; (B) deleting “licensing or permitting” in  
 7 the first sentence thereof and inserting in lieu thereof “licens-  
 8 ing, leasing, or permitting”; and (C) deleting “license or  
 9 permit” in the last sentence thereof and inserting in lieu  
 10 thereof “license, lease, or permit”.

11 (16) Sections 308 through 314 of such Act (16 U.S.C.  
 12 1457 through 1463) are redesignated as sections 311 through  
 13 317, respectively.

14 (17) Such Act is amended by inserting immediately  
 15 after section 307 the following new sections:

16 “COASTAL ENERGY ACTIVITY IMPACT PROGRAM

17 “SEC. 308. (a)(1) The Secretary shall make a payment  
 18 for each fiscal year to each coastal state in an amount which  
 19 bears to the amount appropriated for that fiscal year pur-  
 20 suant to paragraph (6) of this subsection the same ratio as the  
 21 number representing the average of the following proportions  
 22 (computed with regard to such state) bears to 100—

23 “(A) the proportion which the outer Continental  
 24 Shelf acreage which is adjacent to such state and which

1        *is leased by the Federal Government in that year bears*  
2        *to the total outer Continental Shelf acreage which is*  
3        *leased by the Federal Government in that year;*

4            *“(B) the proportion which the number of explora-*  
5        *tion and development wells adjacent to that state which*  
6        *are drilled in that year on outer Continental Shelf acre-*  
7        *age leased by the Federal Government bears to the total*  
8        *number of exploration and development wells drilled in*  
9        *that year on outer Continental Shelf acreage leased by*  
10       *the Federal Government;*

11           *“(C) the proportion which the volume of oil and*  
12        *natural gas produced in that year from outer Continental*  
13        *Shelf acreage which is adjacent to such state and which*  
14        *is leased by the Federal Government bears to the total*  
15        *volume of oil and natural gas produced in that year from*  
16        *outer Continental Shelf lands under Federal lease in that*  
17        *year;*

18           *“(D) the proportion which the volume of oil and*  
19        *natural gas produced from outer Continental Shelf acre-*  
20        *age leased by the Federal Government and first landed*  
21        *in such state in that year bears to the total volume of oil*  
22        *and natural gas produced from all outer Continental*  
23        *Shelf acreage leased by the Federal Government and*  
24        *first landed in the United States in that year;*

25           *“(E) the proportion which the number of individ-*



1        uals residing in such state in that year who are employed  
 2        directly in outer Continental Shelf energy activities by  
 3        outer Continental Shelf lessees and their contractors and  
 4        subcontractors bears to the total number of individuals  
 5        residing in all coastal states who are employed directly  
 6        in outer Continental Shelf energy activities in that year  
 7        by outer Continental Shelf lessees, and their contractors  
 8        and subcontractors; and

9            “(F) the proportion which the onshore capital in-  
 10       investment which is made during that year in such state  
 11       and which is required to directly support outer Conti-  
 12       nental Shelf energy activities bears to the total of all  
 13       such onshore capital investment made in all coastal  
 14       states during that year.

15        “(2) For purposes of calculating the proportions set  
 16       forth in paragraph (1) of this subsection, ‘the outer Conti-  
 17       nental Shelf lands which are adjacent to such state’ shall be  
 18       the portion of the outer Continental Shelf lying on that  
 19       state’s side of extended seaward boundaries determined as  
 20       follows: (A) In the absence of seaward lateral boundaries,  
 21       or any portion thereof, clearly defined or fixed by interstate  
 22       compacts, agreements, or judicial decree (if entered into,  
 23       agreed to, or issued before the effective date of this para-  
 24       graph), the boundaries shall be that portion of the outer  
 25       Continental Shelf which would lie on that state’s side of

1 lateral marine boundaries as determined by the application  
2 of the principles of the Convention on the Territorial Sea  
3 and the Contiguous Zone. (B) If seaward lateral bound-  
4 aries have been clearly defined or fixed by interstate com-  
5 pacts, agreements, or judicial decree (if entered into, agreed  
6 to, or issued before the effective date of this paragraph),  
7 such boundaries shall be extended on the basis of the prin-  
8 ciples of delimitation used to establish them.

9 “(3) The Secretary shall have the responsibility for the  
10 compilation, evaluation, and calculation of all relevant data  
11 required to determine the amount of the payments authorized  
12 by this subsection and shall, by regulations promulgated in  
13 accordance with section 553 of title 5, United States Code,  
14 set forth the method by which collection and evaluation of  
15 such data shall be made. In compiling and evaluating such  
16 data, the Secretary may require the assistance of any relevant  
17 Federal or State agency. In calculating the proportions set  
18 forth in paragraph (1) of this subsection, payments made  
19 for any fiscal year shall be based on data from the immedi-  
20 ately preceding fiscal year, and data from the transitional  
21 quarter beginning July 1, 1976, and ending September 30,  
22 1976, shall be included in the data from the fiscal year ending  
23 June 30, 1976.

24 “(4) Each coastal state receiving payments under this

1 subsection shall use the moneys for the following purposes and  
2 in the following order of priority:

3       “(A) The retirement of state and local bonds, if any,  
4       which are guaranteed under section 319 of this title which  
5       were issued for projects or programs designed to provide  
6       revenues which are to be used to provide public services  
7       and public facilities which are made necessary by outer  
8       Continental Shelf energy activity; except that, if the  
9       amount of such payments is insufficient to retire both  
10      state and local bonds, priority shall be given to retiring  
11      local bonds.

12       “(B) The study of, planning for, development of,  
13      and the carrying out of projects or programs which are  
14      designed to provide new or additional public facilities or  
15      public services required as a direct result of outer Conti-  
16      nental Shelf energy activity.

17       “(C) the reduction or amelioration of any unavoi-  
18      dable loss of unique or unusually valuable ecological or  
19      recreational resources resulting from outer Continental  
20      Shelf activity.

21       “(5) It shall be the responsibility of the Secretary to  
22      determine annually if such coastal state has expended or  
23      committed funds in accordance with the purposes authorized  
24      herein by utilizing procedures pursuant to section 313 of

1 *this title. The United States shall be entitled to recover from*  
2 *any coastal state that portion of any payment received by*  
3 *such state under this subsection which—*

4       “(A) *is not expended by such state before the close*  
5 *of the fiscal year immediately following the fiscal year*  
6 *in which the payment was disbursed, or;*

7       “(B) *is expended or committed by such state for*  
8 *any purposes other than a purpose set forth in para-*  
9 *graph (4) of this subsection.*

10       “(6) *For purposes of this subsection, there are hereby*  
11 *authorized to be appropriated funds not to exceed \$50,000,-*  
12 *000 for the fiscal year ending September 30, 1977; \$50,000,-*  
13 *000 for the fiscal year ending September 30, 1978; \$75,000,-*  
14 *000 for the fiscal year ending September 30, 1979;*  
15 *\$100,000,000 for the fiscal year ending September 30, 1980;*  
16 *and \$125,000,000 for the fiscal year ending September 30,*  
17 *1981.*

18       “(7) *It is the intent of Congress that each state receiving*  
19 *payments under this subsection shall, to the maximum extent*  
20 *practicable, allocate all or a portion of such payments to local*  
21 *governments thereof and that such allocation shall be on a*  
22 *basis which is proportional to the extent to which local govern-*  
23 *ments require assistance for purposes as provided in para-*  
24 *graph (4) of this subsection. In addition, any coastal state*  
25 *may, for the purposes of carrying out the provisions of this*

1 subsection and with the approval of the Secretary, allocate  
 2 all or a portion of any grant received under this subsection  
 3 to (A) any areawide agency designated under section 204  
 4 of the Demonstration Cities and Metropolitan Development  
 5 Act of 1966, (B) any regional agency, or (C) any inter-  
 6 state agency. No provision in this subsection shall relieve any  
 7 state of the responsibility for insuring that any funds al-  
 8 located to any local government or other agency shall be  
 9 applied in furtherance of the purposes of this subsection.

10       “(b)(1) The Secretary may make grants to any coastal  
 11 state if he determines that such state’s coastal zone is being,  
 12 or is likely to be, impacted by the location, construction,  
 13 expansion, or operation of energy facilities in, or which sig-  
 14 nificantly affect its coastal zone. Such grants shall be for the  
 15 purpose of enabling such coastal state to study and plan for  
 16 the economic, social, and environmental consequences which  
 17 are resulting or are likely to result in its coastal zone from  
 18 such energy facilities. The amount of any such grant may  
 19 equal up to 80 per centum of the cost of such study or plan,  
 20 to the extent of available funds.

21       “(2) The Secretary may make grants to any coastal  
 22 state if he is satisfied, pursuant to regulations and criteria to  
 23 be promulgated according to subsection (c) of this section,  
 24 that such state’s coastal zone has suffered, or will suffer, net  
 25 adverse impacts from any coastal energy activity. Such

1    *grants shall be used for, and may equal up to 80 per centum*  
2    *of the cost of carrying out projects, programs, or other pur-*  
3    *poses which are designed to reduce or ameliorate any net*  
4    *adverse impacts resulting from coastal energy activity.*

5        *“(c) Within one hundred and eighty days after the*  
6    *effective date of this section, the Secretary shall, by regula-*  
7    *tions promulgated in accordance with section 553 of title 5,*  
8    *United States Code, establish requirements for grant eligi-*  
9    *bility under subsection (b) of this section. Such regulations*  
10   *shall—*

11        *“(1) include appropriate criteria for determining*  
12    *the amount of a grant and the general range of study-*  
13    *ing and planning activities for which grants will be pro-*  
14    *vided under subsection (b)(1) of this section;*

15        *“(2) specify the means and criteria by which the*  
16    *Secretary shall determine whether a state’s coastal zone*  
17    *has, or will suffer, net adverse impacts;*

18        *“(3) include criteria for calculating the amount of*  
19    *a grant under subsection (b)(2) of this section, which*  
20    *criteria shall include consideration of—*

21        *“(A) offsetting benefits to the state’s coastal zone*  
22    *or a political subdivision thereof, including but not*  
23    *limited to increased revenues,*

24        *“(B) the state’s overall efforts to reduce or*  
25    *ameliorate net adverse impacts, including but not*

1        *limited to, the state's effort to insure that persons*  
2        *whose coastal energy activity is directly responsible*  
3        *for net adverse impacts in the state's coastal zone are*  
4        *required, to the maximum extent practicable, to re-*  
5        *duce or ameliorate such net adverse impacts,*

6                *“(C) the state's consideration of alternative sites*  
7        *for the coastal energy activity which would minimize*  
8        *net adverse impacts; and*

9                *“(D) the availability of Federal funds pursu-*  
10        *ant to other statutes, regulations, and programs, and*  
11        *under subsection (a) of this section, which may be*  
12        *used in whole or in part to reduce or ameliorate net*  
13        *adverse impacts of coastal energy activity;*

14    *In developing regulations under this section, the Secretary*  
15    *shall consult with the appropriate Federal agencies, which*  
16    *upon request, shall assist the Secretary in the formulation*  
17    *of the regulations under this subsection on a nonreimbursable*  
18    *basis; with representatives of appropriate state and local gov-*  
19    *ernments; with commercial, industrial, and environmental*  
20    *organizations; with public and private groups; and with any*  
21    *other appropriate organizations and persons with knowledge*  
22    *or concerns regarding adverse impacts and benefits that may*  
23    *affect the coastal zone.*

24                *“(d) All funds appropriated to carry out the purposes*  
25    *of subsection (b) of this section shall be deposited in a fund*

1 *which shall be known as the Coastal Energy Activity Impact*  
2 *Fund. The fund shall be administered and used by the Secre-*  
3 *tary as a revolving fund for carrying out such purposes.*  
4 *General expenses of administering this section may be*  
5 *charged to the fund. Moneys in the fund may be deposited in*  
6 *interest-bearing accounts or invested in bonds or other obliga-*  
7 *tions which are guaranteed as to principal and interest to the*  
8 *United States.*

9       “(e) *There are hereby authorized to be appropriated to*  
10 *the Coastal Energy Activity Impact Fund such sums not to*  
11 *exceed \$125,000,000 for the fiscal year ending Septem-*  
12 *ber 30, 1977, and for each of the next four succeeding fiscal*  
13 *years, as may be necessary, which shall remain available until*  
14 *expended.*

15       “(f) *It is the intent of Congress that each state receiving*  
16 *any grant under paragraph (1) or (2) of subsection (b) of*  
17 *this section shall, to the maximum extent practicable, allocate*  
18 *all or a portion of such grant to any local government thereof*  
19 *which has suffered or may suffer net adverse impacts result-*  
20 *ing from coastal energy activities and such allocation shall*  
21 *be on a basis which is proportional to the extent of such net*  
22 *adverse impact. In addition, any coastal state may, for the*  
23 *purpose of carrying out the provisions of subsection (b) of*  
24 *this section, with the approval of the Secretary, allocate all*



1 or a portion of any grant received to (1) any areawide  
2 agency designated under section 204 of the Demonstration  
3 Cities and Metropolitan Development Act of 1966, (2) any  
4 regional agency, or (3) any interstate agency. No provision  
5 in subsection (b) of this section shall relieve a state of the  
6 responsibility for insuring that any funds so allocated to any  
7 local government or any other agency shall be applied in  
8 furtherance of the purposes of such subsection.

9 “(g) No coastal state is eligible to receive any payment  
10 under subsection (a) of this section, or any grant under sub-  
11 section (b) of this section unless such state—

12 “(1) is receiving a program development grant  
13 under section 305 of this title or, is making satisfactory  
14 progress, as determined by the Secretary, toward the  
15 development of a coastal zone management program, or  
16 has such a program approved pursuant to section 306 of  
17 this title; and

18 “(2) has demonstrated to the satisfaction of, and  
19 has provided adequate assurances to, the Secretary that  
20 the proceeds of any such payment or grant will be used in  
21 a manner consistent with the coastal zone management  
22 program being developed by it, or with its approved pro-  
23 gram, consistent with the goals and objectives of this  
24 title.

1       **“INTERSTATE COORDINATION GRANTS TO STATES**

2       **“SEC. 309. (a)** *The states are encouraged to give high*  
3 *priority (1) to coordinating state coastal zone planning,*  
4 *policies, and programs in contiguous interstate areas, and*  
5 *(2) to studying, planning, and/or implementing unified*  
6 *coastal zone policies in such areas. The states may conduct*  
7 *such coordination, study, planning, and implementation*  
8 *through interstate agreement or compact. The Secretary is*  
9 *authorized to make annual grants to the coastal states, not*  
10 *to exceed 90 per centum of the cost of such coordination,*  
11 *study, planning, or implementation, if the Secretary finds*  
12 *that each coastal state receiving a grant under this section*  
13 *will use such grants for purposes consistent with the pro-*  
14 *visions of sections 305 and 306 of this title.*

15       **“(b)** *The consent of the Congress is hereby given to*  
16 *two or more states to negotiate and enter into agreements*  
17 *or compacts, not in conflict with any law or treaty of the*  
18 *United States, for (1) developing and administering coor-*  
19 *minated coastal zone planning, policies, and programs, pur-*  
20 *suant to sections 305 and 306 of this title, and (2) establish-*  
21 *ing such agencies, joint or otherwise, as the states may deem*  
22 *desirable for making effective such agreements and compacts.*  
23 *Such agreements or compacts shall be binding and obligatory*  
24 *upon any state or party thereto without further approval by*  
25 *Congress.*

1       “(c) *Each executive instrumentality which is estab-*  
2 *lished by an interstate agreement or compact pursuant to*  
3 *this section is encouraged to establish a Federal-State con-*  
4 *sultation procedure for the identification, examination, and*  
5 *cooperative resolution of mutual problems with respect to*  
6 *the marine and coastal areas which affect, directly or indi-*  
7 *rectly, the applicable coastal zone. The Secretary, the Secre-*  
8 *tary of the Interior, the Chairman of the Council on Envi-*  
9 *ronmental Quality, and the Administrator of the Environ-*  
10 *mental Protection Agency, the Administrator of the Federal*  
11 *Energy Administration, or their designated representatives,*  
12 *are authorized and directed to participate ex officio on behalf*  
13 *of the Federal Government, whenever any such Federal-*  
14 *State consultation is requested by such an instrumentality.*

15       “(d) *Prior to establishment of an interstate agreement*  
16 *or compact pursuant to this section, the Secretary is author-*  
17 *ized to make grants to a multistate instrumentality or to a*  
18 *group of states for the purpose of creating temporary ad hoc*  
19 *planning and coordinating entities to—*

20               “(1) *coordinate state coastal zone planning, poli-*  
21 *cies, and programs in contiguous interstate areas;*

22               “(2) *study, plan, and/or implement unified coastal*  
23 *zone policies in such interstate areas; and*

24               “(3) *provide a vehicle for communication with Fed-*

1        *eral officials with regard to Federal activities affecting*  
2        *the coastal zone of such interstate areas.*

3        *The amount of such grants shall not exceed 90 per centum of*  
4        *the cost of creating and maintaining such an entity. The*  
5        *Federal officials specified in subsection (c) of this section, or*  
6        *their designated representatives, are authorized and directed*  
7        *to participate ex officio on behalf of the Federal Government,*  
8        *upon the request of the parties to such ad hoc planning and*  
9        *coordinating entities. This subsection shall expire at the close*  
10       *of the five-year period beginning on the effective date of this*  
11       *section.*

12        **“COASTAL RESEARCH AND TECHNICAL ASSISTANCE**

13        **“SEC. 310. (a) The Secretary may conduct a program**  
14        **of research, study, and training to support the development**  
15        **and implementation of state coastal zone management pro-**  
16        **grams. Each department, agency, and instrumentality of the**  
17        **executive branch of the Federal Government shall assist the**  
18        **Secretary, upon his written request, on a reimbursable basis**  
19        **or otherwise, in carrying out the purposes of this section, in-**  
20        **cluding the furnishing of information to the extent permitted**  
21        **by law, the transfer of personnel with their consent and with-**  
22        **out prejudice to their position and rating, and in the actual**  
23        **conduct of any such research, study, and training so long as**  
24        **such activity does not interfere with the performance of the**  
25        **primary duties of such department, agency, or instrumen-**

1 *talities. The Secretary may enter into contracts and other ar-*  
2 *rangements with suitable individuals, business entities, and*  
3 *other institutions or organizations for such purposes. The*  
4 *Secretary shall make the results of research conducted pur-*  
5 *suant to this section available to any interested person. The*  
6 *Secretary shall include, in the annual report prepared and*  
7 *submitted pursuant to this title, a summary and evaluation*  
8 *of the research, study, and training conducted under this*  
9 *section.*

10       “(b) *The Secretary is authorized to make up to an 80*  
11 *per centum grant to any coastal state to assist such state*  
12 *in developing its own capability for carrying out short-term*  
13 *research, studies, and training required in support of coastal*  
14 *zone management.*

15       “(c) (1) *The Secretary is authorized to—*

16               “(A) *undertake a comprehensive review of all*  
17 *aspects of the shellfish industry including but not limited*  
18 *to the harvesting, processing, and transportation of shell-*  
19 *fish;*

20               “(B) *evaluate the impact of Federal legislation*  
21 *affecting water quality on the shellfish industry;*

22               “(C) *examine and evaluate methods of preserving*  
23 *and upgrading areas which would be suitable for the*  
24 *harvesting of shellfish, including the improvement of*

1       *water quality in areas not presently suitable for the*  
2       *production of wholesome shellfish and other seafood;*

3           *“(D) evaluate existing and pending bacteriological*  
4       *standards, pesticide standards, and toxic metal guidelines*  
5       *which may be utilized to determine the wholesomeness of*  
6       *shellfish, and*

7           *“(E) evaluate the effectiveness of the national shell-*  
8       *fish sanitation program.*

9       *“(2) The Secretary shall submit a report to the Con-*  
10      *gress on the activities required to be undertaken by it under*  
11      *paragraph (1) together with such comments and recom-*  
12      *mendations as he may deem necessary, not later than*  
13      *June 30, 1977.*

14       *“(d) Notwithstanding any other provisions of law, no*  
15      *Federal agency shall promulgate any additional regulations*  
16      *affecting the harvesting, processing, or transportation of shell-*  
17      *fish in interstate commerce, unless an emergency occurs as*  
18      *determined by the Secretary, before the submission to the*  
19      *Congress of the report required under subsection (c)(2).”.*

20       *(18) Section 313 of such Act (as redesignated by para-*  
21      *graph (16) of this Act) is amended by (A) inserting the*  
22      *words “or payments” after the word “grant” wherever the*  
23      *word “grant” appears; (B) inserting “, for up to three years*  
24      *after the termination of any grant or payment program*  
25      *under this title,” after the word “access” in subsection (b)*

1    *thereof; and (C) inserting the words “or paid” after*  
 2    *“granted” in subsection (b) thereof.*

3        *(19) Section 315 of such Act (as redesignated by para-*  
 4    *graph (16) of this Act) is amended by (A) inserting*  
 5    *“AND BEACH ACCESS” immediately after “ESTUARINE SANC-*  
 6    *TUARIES” in the section heading thereof; (B) deleting the last*  
 7    *sentence thereof; (C) inserting “(a)” immediately before*  
 8    *“The Secretary” in the first sentence thereof; and (D)*  
 9    *inserting at the end thereof the following new subsection:*

10        *“(b) The Secretary, in accordance with rules and*  
 11    *regulations promulgated by him, is authorized to make*  
 12    *available to a coastal state grants of up to 50 per centum of*  
 13    *the costs of acquisition of access to public beaches and other*  
 14    *public coastal areas of environmental, recreational, historical,*  
 15    *esthetic, ecological and cultural value.”.*

16        *(20) Section 316(a) of such Act (as redesignated by*  
 17    *paragraph (16) of this Act) is amended by (A) deleting*  
 18    *“and” at the end of subdivision (8) thereof immediately*  
 19    *after the semicolon; (B) redesignating subdivision (9) as*  
 20    *subdivision (11); and (C) inserting after subdivision (8)*  
 21    *the following two new subdivisions: “(9) a general descrip-*  
 22    *tion of the economic, environmental, and social impacts of*  
 23    *energy activity affecting the coastal zone; (10) a description*  
 24    *and evaluation of interstate and regional planning mecha-*  
 25    *nisms developed by the coastal states; and”.*

1       (21) Section 315 of such Act (16 U.S.C. 1464) is  
2       redesignated as section 320 and amended to read as follows:

3               “AUTHORIZATION FOR APPROPRIATIONS

4       “SEC. 320. (a) There are authorized to be appro-  
5       priated—

6               “(1) the sum of \$24,000,000 for the fiscal year end-  
7       ing September 30, 1977, and \$24,000,000 for each of  
8       the two succeeding fiscal years, for grants under section  
9       305 of this title to remain available until expended;

10              “(2) such sums, not to exceed \$50,000,000 for the  
11       fiscal year ending September 30, 1977, and \$50,000,000  
12       for each of the three succeeding fiscal years, as may be  
13       necessary, for grants under section 306 of this title, to  
14       remain available until expended;

15              “(3) such sums, not to exceed \$5,000,000 for the  
16       fiscal year ending September 30, 1977, and \$5,000,000  
17       for each of the three succeeding fiscal years as may be  
18       necessary, for grants under section 309 of this title, to re-  
19       main available until expended;

20              “(4) such sums, not to exceed \$5,000,000 for the  
21       fiscal year ending September 30, 1977, and \$5,000,000  
22       for each of the three succeeding fiscal years, as may be  
23       necessary, for financial assistance under section 310(a)  
24       of this title, to remain available until expended;



1           “(5) such sums, not to exceed \$5,000,000 for the  
2       fiscal year ending September 30, 1977, and \$5,000,000  
3       for each of the three succeeding fiscal years, as may be  
4       necessary, for financial assistance under section 310(b)  
5       of this title, to remain available until expended;

6           “(6) such sums, not to exceed \$6,000,000 for the  
7       fiscal year ending September 30, 1977, and \$6,000,000  
8       for each of the three succeeding fiscal years, as may be  
9       necessary, for grants under section 315(a) of this title,  
10      to remain available until expended; and

11          “(7) such sums, not to exceed \$25,000,000 for the  
12      fiscal year ending September 30, 1977, and \$25,000,-  
13      000 for each of the three succeeding fiscal years, as may  
14      be necessary, for grants under section 315(b) of this  
15      title, to remain available until expended.

16          “(b) There are also authorized to be appropriated such  
17      sums, not to exceed \$5,000,000 for the fiscal year ending  
18      September 30, 1977, and \$5,000,000 for each of the three  
19      succeeding fiscal years, as may be necessary, for adminis-  
20      trative expenses incident to the administration of this title.

21          “(c) No Federal funds received by a state shall be used  
22      to pay the state's share of the costs of a program or project  
23      authorized under this title.”.

24          (22) Such Act is further amended by inserting imme-

1 *diately after section 317 (as redesignated by paragraph*  
2 *(16) of this Act) the following new sections:*

3 *“LIMITATIONS*

4 *“SEC. 318. Nothing in this title shall be construed to*  
5 *authorize or direct the Secretary or any other Federal offi-*  
6 *cial to intercede in any state land or water use decision*  
7 *including, but not limited to the siting of energy facilities, as*  
8 *a prerequisite to such states eligibility for grants or bond*  
9 *guarantees under this title.*

10 *“STATE AND LOCAL GOVERNMENT BOND GUARANTEES*

11 *“SEC. 319. (a) The Secretary is authorized, in ac-*  
12 *cordance with such rules as he shall prescribe, to make com-*  
13 *mitments to guarantee and to guarantee the payment of in-*  
14 *terest on and the principal balance of bonds or other evidences*  
15 *of indebtedness issued by a coastal state or unit of general*  
16 *purpose local government for the purposes specified in sub-*  
17 *section (b) of this section.*

18 *“(b) A bond or other evidence of indebtedness may be*  
19 *guaranteed under this section only if it is issued by a coastal*  
20 *state or unit of general purpose local government for the*  
21 *purpose of obtaining revenues which are to be used to provide*  
22 *public services and public facilities which are made necessary*  
23 *by outer Continental Shelf energy activities.*

24 *“(c) Bonds or other evidences of indebtedness guar-*

1     anted under this section shall be guaranteed on such terms  
2     and conditions as the Secretary shall prescribe, except that—

3             “(1) no guarantee shall be made unless the Secretary  
4             determines that the issuer of the evidence of indebtedness  
5             would not be able to borrow sufficient revenues on reason-  
6             able terms and conditions without the guarantee;

7             “(2) the guarantees shall provide for complete  
8             amortization of the indebtedness within a period not to  
9             exceed thirty years;

10            “(3) the aggregate principal amount of the obliga-  
11            tions which may be guaranteed under this section on  
12            behalf of a coastal state or a unit of general purpose local  
13            government and outstanding at any one time may not  
14            exceed \$20,000,000;

15            “(4) the aggregate principal amount of all the  
16            obligations which may be guaranteed under this section  
17            and outstanding at any one time may not exceed \$200,-  
18            000,000;

19            “(5) no guarantee shall be made unless the Secre-  
20            tary determines that the bonds or other evidences of  
21            indebtedness will—

22                    “(A) be issued only to investors approved by,  
23                    or meeting requirements prescribed by, the Secre-  
24                    tary, or, if an offering to the public is contemplated,

1           *be underwritten upon terms and conditions approved*  
2           *by the Secretary;*

3           *“(B) bear interest at a rate satisfactory to the*  
4           *Secretary;*

5           *“(C) contain or be subject to repayment, matu-*  
6           *rity, and other provisions satisfactory to the Secre-*  
7           *tary; and*

8           *“(D) contain or be subject to provisions with*  
9           *respect to the protection of the security interest of the*  
10          *United States;*

11          *“(6) the approval of the Secretary of the Treasury*  
12          *shall be required with respect to any guarantee made*  
13          *under this section, except that the Secretary of the Treas-*  
14          *ury may waive this requirement with respect to the*  
15          *issuing of any such obligation when he determines that*  
16          *such issuing does not have a significant impact on the*  
17          *market for Federal Government and Federal Govern-*  
18          *ment-guaranteed securities;*

19          *“(7) the Secretary determines that there is reason-*  
20          *able assurance that the issuer of the evidence of indebted-*  
21          *ness will be able to make the payments of the principal of*  
22          *and interest on such evidence of indebtedness; and*

23          *“(8) no guarantee shall be made after September 30,*  
24          *1981.*

25          *“(d)(1) Prior to the time when the first bond or other*

1 evidence of indebtedness is guaranteed under this section, the  
2 Secretary shall publish in the Federal Register a list of the  
3 proposed terms and conditions under which bonds and other  
4 evidences of indebtedness will be guaranteed under this sec-  
5 tion. For at least thirty days following such publication, the  
6 Secretary shall receive, and give consideration to, comments  
7 from the public concerning such terms and conditions. Fol-  
8 lowing this period, the Secretary shall publish in the Federal  
9 Register a final list of the conditions under which bonds and  
10 other evidences of indebtedness will be guaranteed under this  
11 section. The initial guarantee made under this section may  
12 not be conducted until thirty days after the final list of terms  
13 and conditions is published.

14 “(2) Prior to making any amendment to such final list  
15 of terms and conditions, the Secretary shall publish such  
16 amendment in the Federal Register and receive, and give con-  
17 sideration to, comments from the public for at least thirty  
18 days following such publication. Following this period, the  
19 Secretary shall publish in the Federal Register the final form  
20 of the amendment, and such amendment shall not become  
21 effective until thirty days after this publication.

22 “(e) The full faith and credit of the United States is  
23 pledged to the payment of all guarantees made under this  
24 section with respect to principal, interest, and any redemp-  
25 tion premiums. Any such guarantee made by the Secretary

1 *shall be conclusive evidence of the eligibility of the obligation*  
2 *involved for such guarantee, and the validity of any guaran-*  
3 *tee so made shall be incontestable in the hands of a holder*  
4 *of the guaranteed obligation.*

5 “(f) *The Secretary shall prescribe and collect a fee in*  
6 *connection with guarantees made under this section. This fee*  
7 *may not exceed the amount which the Secretary estimates*  
8 *to be necessary to cover the administrative costs of carrying*  
9 *out this section. Fees collected under this subsection shall be*  
10 *deposited in the revolving fund established under subsection*  
11 *(i).*

12 “(g) *With respect to any obligation guaranteed under*  
13 *this section, the interest payment paid on such obligation*  
14 *and received by the purchaser thereof (or his successor in*  
15 *interest) shall be included in gross income for the purpose*  
16 *of chapter 1 of the Internal Revenue Code of 1954.*

17 “(h) (1) *Payments required to be made as a result of*  
18 *any guarantee made under this section shall be made by*  
19 *the Secretary from funds which may be appropriated to the*  
20 *revolving fund established by subsection (i) or from funds*  
21 *obtained from the Secretary of the Treasury and deposited*  
22 *in such revolving fund pursuant to subsection (i) (2).*

23 “(2) *If there is a default by a coastal state or unit of*  
24 *general purpose local government in any payment of prin-*  
25 *cipal or interest due under a bond or other evidence of*

1 *indebtedness guaranteed by the Secretary under this section.*  
2 *any holder of such bond or other evidence of indebtedness*  
3 *may demand payment by the Secretary of the unpaid interest*  
4 *on and the unpaid principal of such obligation as they*  
5 *become due. The Secretary, after investigating the facts pre-*  
6 *sented by the holder, shall pay to the holder the amount which*  
7 *is due him, unless the Secretary finds that there was no default*  
8 *by the coastal state or unit of general purpose local govern-*  
9 *ment or that such default has been remedied. If the Secretary*  
10 *makes a payment under this paragraph, the United States*  
11 *shall have a right of reimbursement against the coastal state*  
12 *or unit of general purpose local government for which the*  
13 *payment was made for the amount of such payment plus*  
14 *interest at the prevailing current rate as determined by the*  
15 *Secretary. If any revenue becomes due to such coastal state*  
16 *or unit of general purpose local government under section*  
17 *308(a) of this title, the Secretary shall, in lieu of paying such*  
18 *coastal state or unit of general purpose local government such*  
19 *revenue, deposit such revenue in the revolving fund estab-*  
20 *lished under subsection (i) until the right of reimburse-*  
21 *ment has been satisfied.*

22       “(3) *The Attorney General shall, upon request of the*  
23 *Secretary, take such action as may be appropriate to enforce*  
24 *any right accruing to the United States as a result of the*  
25 *issuance of any guarantee under this section. Any sum re-*

1 covered pursuant to this paragraph shall be paid into the  
2 revolving fund established by subsection (i).

3 “(i)(1) The Secretary shall establish a revolving fund to  
4 provide for the timely payment of any liability incurred as  
5 a result of guarantees made under this section, for the pay-  
6 ment of costs of administering this section, and for the pay-  
7 ment of obligations issued to the Secretary of the Treasury  
8 under paragraph (2) of this subsection. This revolving fund  
9 shall be comprised of—

10 “(A) receipts from fees collected under this section;

11 “(B) recoveries under security, subrogation, and  
12 other rights;

13 “(C) reimbursements, interest income, and any  
14 other receipts obtained in connection with guarantees  
15 made under this section;

16 “(D) proceeds of the obligations issued to the Sec-  
17 retary of the Treasury pursuant to paragraph (2) of  
18 this subsection; and

19 “(E) such sums as may be appropriated to carry  
20 out the provisions of this section.

21 Funds in the revolving fund not currently needed for the pur-  
22 pose of this section shall be kept on deposit or invested in ob-  
23 ligations of the United States or guaranteed thereby or in  
24 obligations, participation, or other instruments which are law-  
25 ful investments for fiduciary, trust, or public funds.



1       “(2) The Secretary may, for the purpose of carrying  
2 out the functions of this section, issue obligations to the Sec-  
3 retary of the Treasury only to such extent or in such amounts  
4 as may be provided in appropriation Acts. The obligations  
5 issued under this paragraph shall have such maturities and  
6 bear such rate or rates of interest as shall be determined by  
7 the Secretary of the Treasury. The Secretary of the Treasury  
8 shall purchase any obligation so issued, and for that purpose  
9 he is authorized to use as a public debt transaction the pro-  
10 ceeds from the sale of any security issued under the Second  
11 Liberty Bond Act, and the purposes for which securities may  
12 be issued under that Act are extended to include purchases  
13 of the obligations hereunder. Proceeds obtained by the Sec-  
14 retary from the issuance of obligations under this paragraph  
15 shall be deposited in the revolving fund established in para-  
16 graph (1).

17       “(3) There are authorized to be appropriated to the  
18 revolving fund such sums as may be necessary to carry out  
19 the provisions of this section.

20       “(j) No bond or other evidence of indebtedness shall be  
21 guaranteed under this section unless the issuer of the evidence  
22 of indebtedness and the person holding the note with respect  
23 to such evidence of indebtedness permit the General Account-  
24 ing Office to audit, under rules prescribed by the Comptroller  
25 General of the United States, all financial transactions of

1 such issuer and holder which relate to such evidence of in-  
2 debtedness. The representatives of the General Accounting  
3 Office shall have access to all books, accounts, reports, files,  
4 and other records of such issuer and such holder insofar as  
5 any such record pertains to financial transactions relating  
6 to the evidence of indebtedness guaranteed under this section.

7 “(k) For purposes of this section, the term ‘unit of gen-  
8 eral purpose local government’ shall mean any city, county,  
9 town, township, parish, village, or other general purpose  
10 political subdivision of a coastal state, if such general purpose  
11 political subdivision possesses taxing powers and has respon-  
12 sibility for providing public facilities or public services to the  
13 community, as determined by the Secretary.”.

14 SEC. 3. (a) There shall be in the National Oceanic  
15 and Atmospheric Administration an Associate Administrator  
16 for Coastal Zone Management who shall be appointed by  
17 the President, by and with the advice and consent of the  
18 Senate. Such Associate Administrator shall be a qualified  
19 individual who is, by reason of background and experience,  
20 especially qualified to direct the implementation and admin-  
21 istration of this Act. Such Associate Administrator shall be  
22 compensated at the rate now or hereafter provided for level  
23 V of the Executive Schedule Pay Rates (5 U.S.C. 5316).

24 (b) Section 5316 of title 5, United States Code, is

1 *amended by adding at the end thereof the following new*  
2 *paragraph:*

3       “(135) Associate Administrator for Coastal Zone  
4       *Management, National Oceanic and Atmospheric Ad-*  
5       *ministration.”.*

6       *SEC. 4. Nothing in this Act shall be construed to modify*  
7       *or abrogate the consistency requirements of section 307 of*  
8       *the Coastal Zone Management Act of 1972.*

Union Calendar No. 441

94TH CONGRESS  
2D Session

H. R. 3981

[Report No. 94-878]

A BILL

To amend the Coastal Zone Management Act of 1972 to authorize and assist the coastal States to study, plan for, manage, and control the impact of energy resource development and production which affects the coastal zone, and for other purposes.

By Mr. MURPHY of New York

FEBRUARY 27, 1975

Referred to the Committee on Merchant Marine and Fisheries

MARCH 4, 1976

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed